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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-994

Grain-Oriented Electrical Steel from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that grain-oriented electrical steel (GOES) from the People's Republic of China (the PRC) is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation is January 1, 2013, through June 30, 2013. The estimated weighted-average dumping margin is listed in the "Preliminary Determination" section of this notice. Interested parties are invited to comment on this preliminary determination.

EFFECTIVE DATE: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Edythe Artman or Ericka Ukrow, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3931 or (202) 482-0405, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department initiated this investigation on October 24, 2013.¹ For a complete description of the events that followed the initiation of this investigation, *see* the memorandum dated concurrently with and hereby adopted by this notice.² The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The scope of this investigation covers GOES, which is a flat-rolled alloy steel product containing, by weight, specific levels of silicon, carbon, and aluminum. For a complete description of the scope of the investigation, *see* Appendix I to this notice.

Various parties submitted comments on the scope. For a discussion of these comments, *see* the Preliminary Decision Memorandum.

¹ *See Grain-Oriented Electrical Steel from the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland, and the Russian Federation: Initiation of Antidumping Duty Investigations*, 78 FR 65283 (October 31, 2013) (*Initiation Notice*). AK Steel Corporation, Allegheny Ludlum, LLC, and the United Steelworkers (collectively, the petitioners) filed the underlying petitions. *Id.* at 65283.

² *See* memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations entitled: "Decision Memorandum for the Preliminary Determination of the Less-Than-Fair-Value Investigation of Grain-Oriented Electrical Steel from the People's Republic of China" (Preliminary Decision Memorandum).

Tolling and Postponement of the Deadline for the Preliminary Determination

As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the partial closure of the Federal Government from October 1, through October 16, 2013. Therefore, all deadlines in this segment of this proceeding have been extended by 16 days.³ In accordance with the Department's practice, if a new deadline falls on a non-business day, the deadline will become the next business day.⁴

On February 10, 2014, the petitioners made a timely request for a 50-day postponement of the preliminary determinations for this investigation and the other concurrent investigations of GOES, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e).⁵ On February 20, 2014, we postponed the preliminary determination by 50 days.⁶ As a result of the postponement and aforementioned tolling, the revised deadline for the preliminary determination of this investigation is now May 2, 2014.

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. We preliminarily determine that the only respondent being individually investigated, Baoshan Iron & Steel Co., Ltd. (Baoshan), failed to cooperate to the best of its ability in participating in

³ See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government," dated October 18, 2013.

⁴ See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

⁵ See letter from the petitioners entitled, "Antidumping Investigations of Grain-Oriented Electrical Steel ("GOES") from China, Czech Republic, Germany, Japan, South Korea, Poland, and Russia: Petitioners' Request for Extension of the Preliminary Determination," dated February 10, 2014.

⁶ See *Grain-Oriented Electrical Steel From the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland, and the Russian Federation: Postponement of Preliminary Determinations in the Antidumping Duty Investigations*, 79 FR 11082 (February 27, 2014).

the investigation, warranting the application of facts otherwise available with adverse inferences, pursuant to section 776(a)-(b) of the Act. As a part of the application of adverse facts available, we are treating Baoshan as part of the PRC-wide entity. Because the PRC-wide entity also failed to cooperate to the best of its ability in complying with our requests for information, we determined an estimated weighted-average dumping margin based on adverse facts available for the PRC-wide entity, which includes Baoshan.⁷ For a full description of the methodology and rationale underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of the topics included in the Preliminary Decision Memorandum appears in Appendix II of this notice.

Preliminary Determination

The Department preliminarily determined that the following estimated weighted-average dumping margin exists for the period January 1, 2013, through June 30, 2013:

Producer and Exporter	Estimated Weighted-Average Dumping Margin (Percent)
PRC-wide entity ⁸	159.21

⁷ Anshan Iron & Steel Group Corporation (Anshan) failed to provide quantity and value data upon initiation of this investigation.

⁸ The PRC-wide entity includes all producers and exporters of GOES from the PRC, including each of the companies identified in the petition that did not establish that they are separate from the PRC-wide entity in this investigation: Baoshan, Anshan, Hebei Shougang Qian' an Iron & Steel Co., Ltd., and Wuhan Iron & Steel Co., Ltd.

Disclosure

Normally, the Department discloses to interested parties the calculations performed in connection with a preliminary determination within five days of the date of publication of the notice of preliminary determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because the Department, in accordance with section 776 of the Act, preliminarily applied adverse facts available to determine the estimated weighted-average dumping margin for the mandatory respondent in this investigation, there are no calculations to disclose.

Verification

Because Baoshan is the only mandatory respondent in this investigation and because the Department preliminarily determines it to be uncooperative and its information to be unreliable, the Department does not intend to conduct verification of the information placed in the record by Baoshan at this time.

Public Comment

Interested parties are invited to comment on this preliminary determination. Interested parties may submit case briefs to the Department no later than 50 days after the date of publication of this preliminary determination.⁹ Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.¹⁰ A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department.¹¹ Executive summaries should be limited to five pages total, including footnotes. Interested parties who wish to comment on this preliminary determination must file briefs electronically using IA ACCESS.

⁹ See 19 CFR 351.309(c)(1)(i).

¹⁰ See 19 CFR 351.309(d)(1)-(2).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

An electronically-filed document must be received successfully in its entirety by IA ACCESS by 5 p.m. Eastern Standard Time on the date the document is due.

In accordance with section 774 of the Act, the Department will hold a hearing, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is timely requested by an interested party.¹² Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, *via* IA ACCESS within 30 days after the date of publication of this notice.¹³ Requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date and time of the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.¹⁴ Parties may confirm by telephone the date, time, and location of the hearing.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the merchandise subject to the investigation or, in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. Section 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for

¹² See also 19 CFR 351.310.

¹³ *Id.*

¹⁴ *Id.*

extension of provisional measures from a four-month period to a period not more than six months in duration.

On April 2, 2014, Baoshan requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (*i.e.*, to 135 days after the date of publication of the preliminary determination) and agreed to extend the application of the provisional measures, as prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.¹⁵ Because (1) our preliminary determination is affirmative; (2) the requesting producer or exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination, in accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), until no later than 135 days after the publication of this notice in the *Federal Register* and we are extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will issue our final determination no later than 135 days after the date of publication of this preliminary determination.¹⁶

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of GOES from the PRC, as described in the scope of the investigation of Appendix I of this notice, which are entered or withdrawn from warehouse for consumption on or after the date of publication of this notice in the *Federal Register*.¹⁷

¹⁵ See letter from Baoshan entitled, “Antidumping Duty Investigation of Grain-Oriented Electrical Steel from People’s Republic of China: Postponement Request of Final Determination,” dated April 2, 2014.

¹⁶ See 19 CFR 351.210(b)(2) and (e).

¹⁷ See section 733(d)(2) of the Act.

Pursuant to section 733(d) of the Act and 19 CFR 351.205(d), we will instruct CBP to require a cash deposit¹⁸ equal to the estimated weighted-average dumping margin, as indicated in the chart above. This suspension of liquidation will remain in effect until further notice.

U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the U.S. International Trade Commission (ITC) of our affirmative preliminary determination of sales at less than fair value. Because our preliminary determination in this investigation is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of GOES from the PRC before the later of 120 days after the date of this preliminary determination or 45 days after our final determination. Because we are postponing the deadline for our final determination to 135 days from the date of the publication of this preliminary determination, as discussed above, the ITC will make its final determination no later than 45 days after our final determination.

Notice to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Dated: May 2, 2014.

Appendix I

¹⁸ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

Scope of the Investigation

The scope of this investigation covers GOES. GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to this investigation is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive. Excluded are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the HTSUS as a transformer part (*i.e.*, laminations).

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